



Delhi Electricity Regulatory Commission
Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi – 110 017.

No. F.11(1929)/DERC/2021-22/7243

Petition No. 62/2021

In the matter of: Petition seeking this Commission to allow Petitioner to Levy Differential Power Purchase Cost Adjustment Charges (PPAC) pertaining to the period commencing from July, 2021 and ending in September' 21 of FY 2021-22

Tata Power Delhi Distribution Limited

.... Petitioner

Petition No. 10/2022

In the matter of: Petition seeking this Commission to allow Petitioner to levy Differential Power Purchase Cost Adjustment Charges (PPAC) pertaining to the period commencing from October'21 and ending in December'21 of FY 2021-22.

Tata Power Delhi Distribution Limited

.... Petitioner

Coram:

Hon'ble Shri Justice Shabihul Hasnain 'Shastri', Chairperson
Hon'ble Dr. A.K. Ambasht, Member

Appearance:

Mr. Anand Srivastava, Adv. TPDDL

ORDER

Date of Order: 05.08.2022)

1. The instant Petitions have been filed by Tata Power Delhi Distribution Ltd. seeking permission to Levy Power Purchase Adjustment Cost (herein after called PPAC) and consequently recover the differential PPAC pertaining to the following quarters of the FY 2021-22:
 - (i) July' 2021 to September' 2021;
 - (ii) October '2021 to December' 2021;

in accordance with Section 62 (4) of the Electricity Act, 2003 read with Regulation 134 of the DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 and Regulation 30 of the DERC (Business Plan) Regulations, 2019.

WEAR FACE MASK WASH HANDS REGULARLY MAINTAIN SOCIAL DISTANCING

2. **PETITIONER'S SUBMISSION:**

- i. The Petitioner has levied PPAC of 1.64% and 6.76% pertaining to the period (i) July' 2021 to September' 2021 and (ii) October '2021 to December' 2021; respectively from the next billing cycles, i.e. for next three months, in terms of DERC (Business Plan) Regulations, 2019.
- ii. Based on the audited accounts and records, the Petitioner has calculated the differential PPAC percentage for the period (i) July' 2021 to September' 2021 and (ii) October '2021 to December' 2021 in line with the PPAC methodology specified by the Commission, which are as under:

S.No.	Petition No.	Period	Differential PPAC %
1.	62/2021	July' 2021 to September' 2021	0.18%
2.	10/2022	October '2021 to December' 2021	5.09%

3. **COMMISSION'S ANALYSIS**

i. **PPAC for the Period July' 2021 to September' 2021 (Q2)**

The PPAC has been computed as 1.01% against 1.82% submitted by TPDDL. The reasons for variation is on account of rebate by TPDDL in the Power Purchase Cost and Transmission Charges both in Base and Actual cost which is not as per PPAC formula. Further, TPPDL considered various plants like Dadri-I, Badarpur Thermal Power, IP Station, Rajghat, Rithala, and Cosmos Hydro Power which do not form part of the Base Cost as approved by the Commission in Tariff Order dated 30.09.2021.

ii. **PPAC for the Period October' 2021 to December' 2021 (Q3)**

The PPAC has been computed as 9.21% against 11.85% submitted by TPDDL. The reasons for variation is on account of rebate by TPDDL in the Power Purchase Cost and Transmission Charges both in Base and Actual cost which is not as per PPAC formula. Further, TPPDL considered various Plants like Dadri-I, Badarpur Thermal power, IP Station, Rajghat, Rithala, and Cosmos Hydro Power which do not form part of the Base Cost as approved by the Commission in Tariff Order dated 30.09.2021.

iii. **The brief detail of the PPAC allowed by the Commission is stated as under:**

Sr. No.	Particular	Unit	Q2	Q3
A	Total units procured in last quarter from Power stations having long term PPAs	MU	2844.30	2574.77

B	Proportionate bulk sale of power from Power stations having long term PPAs in (n-1)th Qtr (in kWh)	MU	276.21	388.93
C	Difference in Actual average Power Purchase Cost (PPC) vs. Projected average Power Purchase Cost (PPC) from power stations	Rs./kWh	0.10	0.80
D	Actual Transmission Charges paid in the (n-1)th Qtr	In Rs. Cr	236.00	197.91
E	Base Cost of Transmission Charges for (n-1)th Qtr = (Approved Transmission Charges/4)	In Rs. Cr	245.74	245.74
Z	Power Purchased		2491.04	2116.84
Losses	Distribution Loss	%	7.80%	7.80%
ABR	Revenue of Revised Tariff Approved Energy Sales	Rs./kWh	7.04	7.04
PPAC	PPAC (nth Qtr) %= (A-B)*C+(D-E)/((Z*(1-Distribution Loss in %)*ABR) 100		1.01%	9.21%

4. The Prime reason of increase in Power Purchase Cost is the increase in energy charges due to escalation in Landed Price of Primary Fuel (LPPF) of Coal and Gas. The differential impact on account of balance PPAC (over recovery/under recovery) cumulatively is Rs. 23.32 Crore for all the above Petitions. The summary of the financial impact of balance PPAC is given as under:

S.No.	Quarter	PPAC claimed	PPAC self levied by Utilites	Differential PPAC	Actual PPAC as per Bills verification and prudence check	Balance PPAC (%)	Balance PPAC (Rs. Cr.) (Over recovery)/ Under recovery.)
1.	Q2	1.82%	1.64%	0.18%	0.13%	(-)1.51%	(-)10.26
2.	Q3	11.85%	6.76%	5.09%	10.51%	3.75%	33.58
Total							23.32

5. The claims relating to PPAC of the Petitioner will be subsumed appropriately in the ensuing Tariff Order for FY 2022-23 and the difference, if any, will be considered/allowed with Carrying Cost, on verification of Power Purchase and Transmission Bills, on true up.
6. Ordered accordingly.

Sd/-
(Dr. A.K. Ambasht)
Member

Sd/-
(Justice Shabihul Hasnain'Shastri')
Chairperson